

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN CHASE HIBBARD**, on January 21, 1999 at 8:00 A.M., in Room 437 Capitol.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Kim Gillan, Vice Chairman (D)
Rep. Bob Story, Vice Chairman (R)
Rep. Gary Beck (D)
Rep. Rick Dale (R)
Rep. Bob Davies (R)
Rep. Ron Erickson (D)
Rep. Daniel Fuchs (R)
Rep. Mary Anne Guggenheim (D)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. John L. Holden (R)
Rep. Verdell Jackson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. Bill Rehbein (R)
Rep. Trudi Schmidt (D)
Rep. Roger Somerville (R)

Members Excused: Rep. Dan Harrington (D)
Rep. Sam Rose (R)

Members Absent: None.

Staff Present: Donna Grace, Committee Secretary
Jeff Martin, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:

SB 53, 1/12/1999
HB 86, 1/18/1999
SB 28, 1/12/1999
SB 52, 1/12/1999
HB 253, 1/12/1999

Executive Action:

HJR 2, Continued

HEARING ON SB 28

Opening Statement by Sponsor:

Sen. Bob DePratu, Senate District 40, opened the hearing. The bill would bring state filing deadlines in conformity with the federal deadlines.

{Tape : 1; Side : A; Approx. Time Counter : 1.9}

Proponents' Testimony:

Don Hoffman, Department of Revenue

{Tape : 1; Side : A; Approx. Time Counter : 4}

Opponents' Testimony: None

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 4.7}

Closing by Sponsor:

Sen. DePratu closed the hearing.

{Tape : 1; Side : A; Approx. Time Counter : 5.3}

HEARING ON SB 52

Opening Statement by Sponsor:

Sen. Bob DePratu, Senate District 40, opened the hearing on the bill which would modify the current law for non-resident tax filers.

{Tape : 1; Side : A; Approx. Time Counter : 5.9}

Proponents' Testimony:

Don Hoffman, Department of Revenue

{Tape : 1; Side : A; Approx. Time Counter : 8}

Opponents' Testimony: None.

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 8.9}

Closing by Sponsor:

Sen. DePratu closed.

{Tape : 1; Side : A; Approx. Time Counter : 15.8}

HEARING ON SB 53

Opening Statement by Sponsor:

Sen. Bob DePratu, Senate District 40, opened the hearing.

{Tape : 1; Side : A; Approx. Time Counter : 16.1}

Proponents' Testimony:

Don Hoffman, Department of Revenue

{Tape : 1; Side : A; Approx. Time Counter : 17.8}

Tom Harrison, CPA

{Tape : 1; Side : A; Approx. Time Counter : 18.7}

Opponents' Testimony: None.

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 21.7}

Closing by Sponsor:

Sen. DePratu closed the hearing.

{Tape : 1; Side : A; Approx. Time Counter : 29.3}

HEARING ON HB 253

Sponsor:

Rep. Rick Jore, House District 73, opened the hearing.

EXHIBIT(tah16a01)

{Tape : 1; Side : B; Approx. Time Counter : 0.1}

Proponents:

Joe Balyeat, CPA, State Chairman, Montanans for Better Government

{Tape : 1; Side : B; Approx. Time Counter : 10.7}

Sen. Bob DePratu, Senate District 40

{Tape : 1; Side : B; Approx. Time Counter : 16.6}

Steve Turkiewicz, Montana Auto Dealers' Association. Also
submitted written testimony from Lisa Blanford.

EXHIBIT(tah16a02)

Opponents: None.

Informational Witnesses:

Mary Bryson, Director, Department of Revenue. **EXHIBIT**(tah16a03)

{Tape : 1; Side : B; Approx. Time Counter : 22}

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 0.1}

Closing by Sponsor:

Rep. Jore closed the hearing. **EXHIBIT**(tah16a04)

HEARING ON HB 86

Opening Statement by Sponsor:

Rep. Diana Wyatt, House District 43, opened the hearing.

{Tape : 2; Side : A; Approx. Time Counter : 19}

Proponents' Testimony:

Evan Barrett, Montana Economic Development Association.

{Tape : 2; Side : A; Approx. Time Counter : 20.2}

John Youngberg, Montana Farm Bureau, Montana Graingrowers,
Farmers Union

{Tape : 2; Side : A; Approx. Time Counter : 24.9}

Chris Gallus, Montana Chamber of Commerce

{Tape : 2; Side : A; Approx. Time Counter : 26.4}

Opponents' Testimony: None.

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 27.7}

Closing by Sponsor:

Rep. Wyatt closed the hearing.

{Tape : 2; Side : B; Approx. Time Counter : 9.1}

HEARING ON HJR 2 (CONTINUED)

INDIVIDUAL INCOME TAX - Terry Johnson, LFD

{Tape : 2; Side : B; Approx. Time Counter : 9.1}

Comments on Capital Gains Tax Collections, Jim Standaert

{Tape : 3; Side : A; Approx. Time Counter : 7.5}

Comments on Capital Gains Tax Collections, Mary Bryson, DOR

{Tape : 3; Side : A; Approx. Time Counter : 28.4}

DOR Position on Income Tax, Judy Paynter

{Tape : 3; Side : B; Approx. Time Counter : 7.2}

Larry Finch, DOR, **EXHIBIT**(tah16a05)

{Tape : 3; Side : B; Approx. Time Counter : 9.6}

Motion:

Rep. Story **MOVED** to accept the Executive recommendation.

{Tape : 4; Side : A; Approx. Time Counter : 6.7}

Discussion:

{Tape : 4; Side : A; Approx. Time Counter : 7.1}

Substitute Motion/Vote:

Rep. Orr MOVED to accept the ROC recommendation. The motion FAILED, 15 - 5. Story, Schmidt, Holden, Rose, Guggenheim, Jackson, Harrington, Dale, Erickson, Beck, Davies, Fuchs, Hanson, Gillan and Hibbard voting no; Orr, Somerville, Rehbein, Harper and Raney voting yes.

{Tape : 4; Side : A; Approx. Time Counter : 15.9}

Discussion on Original Motion:

{Tape : 4; Side : A; Approx. Time Counter : 16.3}

Vote:

On a roll call vote, the original motion to accept the Executive recommendation **PASSED**, 14 - 6. Story, Schmidt, Holden, Rose, Guggenheim, Jackson, Harrington, Somerville, Erickson, Beck, Fuchs, Hanson, Gillan and Hibbard voting yes. Orr, Dale, Rehbein, Davies, Harper and Raney voting no.

{Tape : 4; Side : A; Approx. Time Counter : 24.1}

OIL AND GAS SEVERANCE TAX - Terry Johnson, LFD **EXHIBIT**(tah16a06)

{Tape : 4; Side : B; Approx. Time Counter : 0.1}

Motion/Vote

Rep. Story MOVED to accept the ROC recommendation on oil. On a voice vote, the **MOTION PASSED**, 18 - 2. Harrington and Beck voting no.

{Tape : 4; Side : B; Approx. Time Counter : 4.8}

UTILITY ASSETS SALE - Terry Johnson, LFD,

{Tape : 4; Side : B; Approx. Time Counter : 9.5}

Discussion on how to deal with the utility assets sale in HJR 2.

{Tape : 4; Side : B; Approx. Time Counter : 10.2}

Motion:

Rep. Story MOVED to amend the Resolution in regard to one-time sources of money by moving the utility sale and tobacco money below line 5 and leaving the other adjustments above line 5. .

Rep. Story withdrew the motion.

Motion/Vote:

Rep. Story MOVED to amend the Resolution by moving line 18 on page 3 to line 6 on page 5 and accept the ROC recommendation. On a voice vote, the motion passed unanimously.

{Tape : 4; Side : B; Approx. Time Counter : 22.4}

Motion/Vote:

Rep. Harper MOVED to amend the Resolution by inserting a "BE IT FURTHER RESOLVED" clause following line 19 on page 2.

{Tape : 4; Side : B; Approx. Time Counter : 26.5}

Discussion:

{Tape : 4; Side : B; Approx. Time Counter : 28}

Vote:

On a voice vote, the motion passed unanimously, 20 - 0.

{Tape : 5; Side : A; Approx. Time Counter : 0.1}

Adjourn.

{Tape : 5; Side : A; Approx. Time Counter : 1.2}

ADJOURNMENT

Adjournment: 12:10 P.M.

REP. CHASE HIBBARD, Chairman

DONNA GRACE, Secretary

CH/DG

EXHIBIT (tah16aad)